UNIVERSAL HMO OF TEXAS, INC.
Frequently Asked Questions

IMPORTANT NOTICE: The following Frequently Asked Questions and answers are intended to provide an overview of information regarding the rehabilitation of Universal HMO of Texas. **Nothing herein constitutes a binding legal statement by the Commissioner of Insurance of the State of Texas as Receiver of Universal HMO of Texas. The statements contained herein are not intended as legal advice or complete legal descriptions of the events or matters to which they relate. The material provided herein is offered only for the purpose of general information. For full legal information, interested parties should review the source documents and applicable legal authorities.**

On April 18, 2013, the 345th Judicial District Court of Travis County, Texas appointed the Commissioner of Insurance for the State of Texas as Rehabilitator of Universal HMO of Texas, Inc. (Cause No. D1GV-13-000384 – Receivership for Rehabilitation). Universal HMO of Texas, Inc., which offers Medicare Advantage Plan (Parts C & D) only, is not covered by the Texas Life Guaranty Association.

Effective May 1, 2013, the Centers for Medicare and Medicaid Services (CMS) and Universal HMO of Texas, Inc., terminated their contract (H6642) by mutual consent and CMS will be transitioning members into the original Medicare plan, and for prescription drugs, a designated prescription drug plan (PDP). Letters to notify beneficiaries of the changes are expected to be sent out by CMS prior to the coverage change.

FREQUENTLY ASKED QUESTIONS

Q1. Is Universal HMO of Texas, Inc. still operating its HMO business?

A. Universal HMO of Texas, Inc. (Texas HMO) will continue to cover members and to pay claims incurred through April 30, 2013. Coverage will end on May 1, 2013, due to the termination of the CMS contract.

On April 18, 2013, at the request of the Commissioner of Insurance as required by Chapter 443 of the Texas Insurance Code, the Receivership Court issued an Order Appointing Rehabilitator (Rehabilitation Order) and appointed the Commissioner as Rehabilitator.

Q2. How does this affect Members?

A. Healthcare Benefits

The Texas HMO signed a mutual termination agreement with the Centers for Medicare and Medicaid Services (CMS) which will end their contract effective 12:01 am on Wednesday, May 1, 2013. After May 1, 2013, CMS will **not** be

under contract with the Texas HMO nor any of its affiliates. Efforts are underway by CMS to transition members to Original Medicare effective May 1, 2013. Through April 30, 2013, beneficiaries have coverage under the current plan and are only responsible for their Texas HMO co-pays for any items and services provided. If beneficiaries get an additional bill from a provider, they should NOT pay more than their Texas HMO co-pay. For inquiries about coverage, members can call CMS at 1-800-MEDICARE (1-800-633-4227).

Prescription Drugs

Beneficiaries in the Texas HMO with prescription drug coverage will be enrolled in the stand-alone prescription drug plan, Cigna Medicare RX (S5617), starting May 1, 2013. For inquiries, the pharmacy can call CMS at 1-800-MEDICARE (1-800-633-4227) or contact Cigna at 1-800-735-1459, 8 am to 8 pm local time, 7 days a week. TTY/TDD users call 1-800-322-1451.

Notification

Beneficiaries impacted by the contract termination will receive a notice from CMS in the mail explaining the changes in coverage and providing information about their new prescription drug coverage. They will also receive a letter from their new Prescription Drug Plan. Beneficiaries will be able to continue to see their current primary and specialty care providers under Original Medicare. Those currently in the hospital or receiving skilled nursing care or other medical treatments will continue with such care without interruption.

If you have not received notification from CMS by May 1, 2013, or have questions concerning access to care, please contact CMS at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day/7 days a week.

Q3. What does this mean for the providers?

A. The Texas HMO is responsible for the members of its plans and is paying claims, reviewing/approving authorizations as appropriate, and handling the needs of the membership for services incurred up to 12:01AM May 1, 2013. All contracts remain in effect until such time as providers are notified by the Texas HMO of a termination date and/or the provider follows the termination protocol outlined in their contract with the Texas HMO.

The Texas HMO will continue to pay claims and provide benefits and services for members related to services rendered up to the termination date of May 1, 2013.

Q4. Why is the Texas HMO in rehabilitation?

A. This action was initiated in order to protect claimants, creditors, and the public from harm. Since the Texas HMO's contract with CMS was cancelled, it is not possible for the company to continue in normal business.

Q5. Will a Special Deputy Receiver (SDR) be appointed to manage the business of the Texas HMO in rehabilitation?

A. An SDR is expected to be appointed soon by the Rehabilitator to administer the day-to-day affairs of the Texas HMO. The SDR is charged with responsibilities such as obtaining control of the Texas HMO's operations; identifying and securing company property and records; marshaling and evaluating the assets of the company; operating the company's information systems and extracting data; paying valid claims; and filing pleadings, financial statements, and reports with the Rehabilitator and the Receivership Court.

Q6. How do I receive notice of the legal filings and the orders of the court?

A. All pleadings will be posted on the SDR's website once it is established. Until then, information will be available on the Texas Department of Insurance's website at www.tdi.texas.gov. If you have an e-mail address that allows you to receive e-mails with very large attachments, you may request to be added to the delivery list for the pleadings filed by sending an e-mail to terry.smith@tdi.texas.gov and requesting to be added to the certificate of service. **You do not need to do this to file claims.**

Further, the SDR will be providing status reports to the Receivership Court regarding the status of the Texas HMO estate on a quarterly basis. The Special Master assigned to this receivership conducts quarterly status conferences, which are normally scheduled for January, April, July, and October. The report provided to the court for each status conference will be posted on the SDR's website once it is established.

Q7. What if I have a claim with or against the Texas HMO – will my claim be paid?

A. The Texas HMO will continue to pay valid claims. While there is a change in the vendors providing the claims processing services, we are working to process claims as effectively as possible. We expect that claims processing will continue with only minor delays.

Q8. Can I obtain a new policy with the Texas HMO?

A. No. As of May 1, 2013, the contract with CMS has been cancelled through a mutual termination. No new coverage will be available.

Q9. I am a vendor who provided goods/services to the Texas HMO but have not been paid. What do I do if I have a claim against the Texas HMO that is not related to a Medicare Advantage contract?

All claims against the Texas HMO that are not related to Medicare Advantage contracts should be submitted in the normal course of business. These obligations will be reviewed by the SDR and paid if appropriate. You will be notified if there is any change to this procedure.

Q10. What if a beneficiary wants another Medicare Advantage or Prescription Drug Plan, rather than traditional Medicare?

A. Affected beneficiaries can choose to enroll in another Medicare Advantage or Prescription Drug Plan, if they do not want to remain in Original Medicare or the newly assigned Prescription Drug Plan. They have been granted a special election period during which they may make one change in their Medicare health care and prescription drug coverage**. This special election period is in effect now through June 30, 2013.**

Additional Information for Beneficiaries:

- Coverage in the new plan is effective the first of the month following their plan selection. If a beneficiary calls 1-800-MEDICARE by April 30, 2013, and enrolls in a plan, the beneficiary's coverage in the plan will be effective on May 1, 2013. For help in finding new plans available, beneficiaries can contact their local Area Agency on Aging at 1-800-252-9240 and ask for Benefits Counseling or call 1-800-MEDICARE (1-800-633-4227).

- The special election period (SEP) for Texas HMO Members is good for a onetime change only. Dual Eligible beneficiaries continue to have a continuous SEP to make plan changes as necessary. ESRD beneficiaries are afforded a one-time SEP to change Managed Care Organizations that does not expire until it is used. Neither the Dual Eligible SEP nor the ESRD SEP are replaced by the Texas HMO Termination SEP.

- Members who currently receive a Part B reduction will lose that benefit effective May 1, 2013. Beneficiaries can opt to enroll in another plan with a similar benefit using the SEP they have been provided due to the Texas HMO termination.

- Beneficiaries who remain in Original Medicare will have 63 days from the loss of their Texas HMO coverage to obtain Medigap coverage if they are interested in doing so. To enroll in a Medigap plan, beneficiaries can call their State Department of Insurance or SHIP office. For more information, contact the Texas Department of Insurance at 1-800-252-3439.